



Japan's sudden attack in the Pacific and the urgent measures taken to put Australia on a full war and defence footing dominate all other developments. The Stock Exchange weakened but generally public confidence has been strongly maintained. All transport is now under official control. Business conditions have been very buoyant. Building has not fully recovered since the brickmakers stoppage. A beginning has been made with the restriction of imports from sterling countries.

C O N T E N T S.

PART I. Season: November rainfall mostly below average.

Export Prices and  
External Conditions:

War in Pacific affects shipping situation. Britain's National Service Bill. British wages and costs. America continuing Lend-Lease aid. Speeding up war production in U.S.A.

Currency  
Relationships:

Wool received and appraised in Sydney. Wool consumption in U.S.A., Russia and U.K.

Wheat:

Harvesting well advanced. Yields above expectations in some districts. International Conference in Washington. Local market quiet. Prices of wheat for produce trade reduced.

Butter:

Intra-State Quota - Dec., 1941. Production in N.S.W. factories - Oct. & Jan.-Oct., 1941. Pay to N. Coast suppliers for cream - November, 1941.

Metals:

Free market for tin in London suspended and prices fixed. International Tin Committee fixes higher tin production quota - Jan.-June, 1942 and extends agreement for 5 years.

PART II. Bank Clearings, Sydney: November and Jan.-Nov., 1941.

Stock Exchange, Sydney: November, 1941.

Real Estate, N.S.W.: Sales and Mortgages } November and Jan.-Nov., 1941.

Interest Rates: Mortgages - Sept.-Nov., 1941.  
Bonds - November - December, 1941.

Oversea Trade, Australia: Restrictions on sterling imports.

PART III. Buildings Commenced: Value and No. of Houses ) November & Jan.-Nov., 1941.  
(Metrop. Water Bd. Area)

Motor Vehicles: New Motor Sales - November, 1941.  
Total Registrations at Nov. 30, 1941.  
Producer Gas Units.

Railways - N.S.W.: Passengers, Freight and Finance - Oct. & July-Oct., 1941.

Trams and Buses: Passengers and Finance - Oct., & July-Oct., 1941.  
(Sydney and Newcastle).



PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON. Rainfall in recent weeks has been patchy but in important sections of the wheat belt falls were sufficient to mature the wheat grain better than had been expected. Generally dry conditions have prevailed during the Spring and early Summer; there is a deficiency of subsoil moisture, and the outlook in pastoral and dairying industries will be doubtful until copious rains fall. Index numbers illustrating the rainfall experience in recent months and the corresponding months of last year (in parenthesis) are given below:-

<u>1941 (1940)</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>
Weighted average ratio (%) of actual to normal rainfall.						
Sheep Districts	95(17)	47(21)	37(36)	56(109)	75(18)	78(52)
Wheat "	87(17)	67(33)	41(36)	47(129)	75(11)	65(52)
Dairying (" (Coast).	68(58)	90(18)	38(90)	30(167)	53(85)	88(82)

To meet part of the increased cost of superphosphate a bounty of 25s. a ton is being paid by the Commonwealth Government. Except for certain special crops, farmers are to obtain in 1941-42 not more than 65 p.c. of the amount of superphosphate received in 1939-40.

Selling prices fixed for new crop barley are about 2d. a bus. below those fixed last season. They include 5s. 2d. for two-row and 4s. 5d. a bushel for six row malting barley, on rails Mittagong. The N.S.W. barley crop is poor but heavy yields are expected in Victoria and South Australia, and export difficulties are likely to arise.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS. Australian export prices are steady. War in the Pacific (launched by Japan on Dec. 7), and the early naval losses sustained by the Democracies are of the utmost significance to Australia economically as well as politically. For a time at least Australia may be obliged to function virtually as a closed economy. In these circumstances contracts with the British Government may be delayed in fulfilment.

Australia has followed Britain in declaring war on Finland, Rumania and Hungary as well as Japan.

Britain's new National Service Bill will require youths and girls 16 to 18 to register for national service and make unmarried women and all men 41 to 51 subject to call up for the uniformed services. A potential vicious circle of rising wages and living costs is causing concern; increases in wages recently granted and claims pending are likely to add about £100m. to the annual wages bill. British industrial production is expanding.

The United States, promising continued lend-lease aid, has ordered 24-hour, seven days a week work in war industries. Tank output in November was 30 p.c. above schedule, exceeded that of the U.K. and was going rapidly to theatres of war. There has been a good deal of selling on the New York Stock exchange but the market seems to have steadied.

American lend-lease material is to be supplied to Turkey. It is reported that economic conditions in Free China are causing much concern.

INTERNATIONAL CURRENCY RELATIONSHIPS. For over six weeks the rate of exchange between U.S. dollars and sterling in New York has been without change at \$4.0375 to £1. Involvement of the United States in the War brought no change, perhaps because the amount of free sterling which might be traded must be inconsiderable, and certainly because Anglo-American economic relationships are now so close that the status of British currency is no longer in question. The supply of war needs under Lend-Lease arrangements relieves Britain of the necessity of finding vast sums in dollars, while Empire gold, tin, rubber and wool, etc. sent to the United States go far in providing the dollar assets required to meet commitments to the United States outside the Lend-Lease scheme.



WOOL. From July 1 to Dec. 10, 1941 the quantity of wool received in Sydney was 1,021,850 bales or 14,358 bales less than in the corresponding period of last season. In the same periods 816,331 and 926,374 bales of wool were appraised in Sydney. The quantity dealt with represents more than two-thirds of the current clip. There will be no appraisements between Dec. 19 and Jan. 12, 1942. The main selling season in Sydney is expected to conclude before Easter.

American mobilisation will call for still greater consumption of wool in the United States where already about 40 p.c. of all woollen production is for Army, etc. supplies. Russia's needs for the Army etc. are being met by supplies of both manufactured woollens and of raw wool. This is assisting to reduce the amount of wool which will be accumulated owing to the total blockade of nearly all ~~the~~ <sup>the</sup> Continent and of Japan.

English home trade has brightened but some firms have lost workers to the Services or munition factories and cannot accept all the business offering.

WHEAT. From many districts it is reported that wheat crops are yielding considerably more grain than was expected. The harvest is well advanced, and amount of the first advance to be made for new crop wheat has been announced. It is understood that the Minister for Commerce has been conferring with the Commonwealth Bank regarding the finance of the harvest. The advance will be 3/- per bus. for bagged wheat and 2/10 per bus. for bulk wheat, both less freight.

A conference of wheat-growers' representatives discussed the proposed international wheat agreement in Washington during the first week in December, 1941, and is reported to have agreed that entry into an agreement would safeguard the interest of Australia and of her wheatgrowers in particular. It is understood that the export quota for Australia would be at least 90 m. bus..

Wheat futures in Chicago rose about 6 cents a bus. (to 127c. for May options) between Dec. 1 and 10 but quotations in Winnipeg were practically unchanged. On the London Baltic Exchange Canadian wheat was a little dearer but Argentine and Australian were steady.

The reduction of 3<sup>1</sup>/<sub>2</sub>d. a bus. in the price of wheat sold for local produce trade was followed by some increase in demand but generally the market has been very quiet. Under present circumstances a revival of the depressed flour export trade appears unlikely. For bulk wheat for local flour the Board's price has remained at 3s.11<sup>1</sup>/<sub>2</sub>d. a bus. since early in August, 1940. Flour for local consumption is listed at £12. 13s. a ton (including tax).

#### PRICES OF WHEAT IN NEW SOUTH WALES.

Shippers offers to 1938-39. Prices for wheat for local flour from Dec., 1939.

	Season ended November.				November.		December 12, 1941.
	Av. 1931-35	1937	1939	1940	1940	1941	
	Shillings and pence per bushel.						
Bulk Wheat							
Ex trucks, Sydney	2 9 <sup>1</sup> / <sub>2</sub>	5 3	2 5	3 10 <sup>1</sup> / <sub>2</sub>	3 11 <sup>1</sup> / <sub>4</sub>	3 11 <sup>1</sup> / <sub>4</sub>	3 11 <sup>1</sup> / <sub>4</sub>
Equiv. ex farm at country siding *	2 2 <sup>1</sup> / <sub>2</sub>	4 8	1 9 <sup>1</sup> / <sub>2</sub>	2 11	2 11	3 0 <sup>1</sup> / <sub>2</sub> <sup>φ</sup>	3 0 <sup>1</sup> / <sub>2</sub> <sup>φ</sup>

\* Exclusive of bounty. <sup>φ</sup> Net equivalent of advances approved to date.

BUTTER. The seasonal increase in butter production is still apparent though in parts of the coastal belt the return of dry conditions has affected cream supplies. The spring flush has not been as productive as usual and this is one factor in a higher quota being fixed for intra-State sales of butter in December than in most other recent years:-

1934    1935    1936    1937    1938    1939    1940    1941

Proportion of butter for sale within the State (%).

December    24    28    38    32    31    32    39    38

/In.....



PART I. (Continued.)

In N.S.W. factories less butter was made in October and in the four months ended October, 1941 than in the corresponding month or period of any season since 1928-29. The quantity manufactured in July-Oct., 1941 (22,58m. lb.) was 31.2 p.c. below average production in the five seasons ended 1935-36.

PRODUCTION OF BUTTER IN FACTORIES IN NEW SOUTH WALES.

	<u>Av. 1931-35.</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
October, mill. lb.	12.51	9.21	9.32	10.84	10.16	7.99	7.50
July-Oct. "	32.82	26.61	25.35	27.08	30.44	24.53	22.58

Late in November the Prime Minister promised dairy farmers that their request for an increase in the price of butter would be reconsidered in three months, stating that "The Prices Commissioner was satisfied that increased costs in the industry since the war started were not as high as the 25 p.c. increase in total returns to the industry." However, the past two seasons have been relatively poor ones for most dairy farmers in N.S.W., as the preceding table shows. The price of butter at wholesale in Sydney is unchanged at 158s. 8d. a cwt.

For cream delivered to certain North Coast factories in November, 1941 farmers are being paid 12<sup>5</sup>/<sub>8</sub>d. a lb. of commercial butter made - the same rate as in October and <sup>1</sup>/<sub>8</sub>d. a lb. less than in November, 1940. Other price comparisons are:-

PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES, N.S.W.

	May	June	July	Aug.	Sept.	Oct.	Nov.	Deferred Pay July-Dec. <sup>0</sup> / <sub>8</sub>
Pence per pound of commercial butter made.								
1934 x	9 <sup>1</sup> / <sub>4</sub>	9 <sup>1</sup> / <sub>4</sub>	9 <sup>1</sup> / <sub>4</sub>	10	9	8	7 <sup>1</sup> / <sub>2</sub>	1 <sup>1</sup> / <sub>8</sub>
1937 x	12 <sup>1</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>2</sub>	13 <sup>1</sup> / <sub>2</sub>	13	13 <sup>1</sup> / <sub>2</sub>	10 <sup>3</sup> / <sub>4</sub>	3 <sup>3</sup> / <sub>8</sub>
1939	12	12 <sup>1</sup> / <sub>2</sub>	12 <sup>1</sup> / <sub>2</sub>	12	12 <sup>1</sup> / <sub>4</sub>	12	11 <sup>1</sup> / <sub>4</sub>	3 <sup>3</sup> / <sub>8</sub>
1940	13	13 <sup>1</sup> / <sub>4</sub>	13 <sup>1</sup> / <sub>4</sub>	13	13	12 <sup>5</sup> / <sub>8</sub>	12 <sup>1</sup> / <sub>4</sub>	4 <sup>1</sup> / <sub>4</sub>
1941	13	13 <sup>1</sup> / <sub>4</sub>	13 <sup>1</sup> / <sub>4</sub>	13	12 <sup>7</sup> / <sub>8</sub>	12 <sup>5</sup> / <sub>8</sub>	12 <sup>5</sup> / <sub>8</sub>	...

x Cartage charges about <sup>3</sup>/<sub>8</sub>d. a lb. now paid by factories - met by farmers to June, 1937.

<sup>0</sup>/<sub>8</sub> This amount is in addition to that shown for corresponding months.

Adverse seasonal conditions have hampered factories in the effort to produce more cheese for export to Britain and in N.S.W. current production is insufficient for local requirements.

METALS. On Dec. 8, 1941 open market dealings in tin in London were suspended and prices were fixed by the Ministry of Supply. There is now no free market in Britain for any of the base metals or other important commodity. The prices fixed for tin were a little above those ruling recently. They were (per ton):-

Spot - buyer £259, seller £260; forward (3 months) - buyer £262 and seller £263. The fixed prices are 52s. 6d. higher for cash and 42s. higher for forward sales than the average prices in November, 1941.

The International Tin Committee fixed the production quota for the six months ended June, 1942 as 150 p.c. of standard tonnage, which is being increased from 414,000 tons to 502,800 tons a year. Thailand is standing out from the international organisation but Thailand's rejection of the control cannot affect its working materially, and the other signatory countries have decided to continue the agreement for five years, and to keep the buffer pool in operation.

Prices as fixed by the British Ministry of Supply for principal base metals - per ton, duty paid, delivered to buyer, are as follow:-

<u>Copper</u> (Electrolytic)	<u>Lead</u> (Foreign)	<u>Spelter</u>	<u>Tin</u> (Standard)
£62. 0. 0	£25. 0. 0	£25.15. 0	£259 10s.

The price of silver in London has been unchanged at 1s. 11<sup>1</sup>/<sub>2</sub>d. an ounce since late in August, 1941.

/PART II.



## PART II FINANCE AND TRADE.

BANK CLEARINGS. Inter-bank clearings in Sydney in November, 1941 were above the average value in earlier months of this year. The index number of bank clearings for the three months ended November was 124 compared with 114 in the corresponding months of last year.

In the eleven months ended November clearings (less Treasury bills) amounted to £1,031 million this year compared with £974 m. in 1940 and £840 m. in 1939. Higher prices and greater wage earnings and the heavy war expenditure of the Government (now at a rate of about £19.5 m. a month) are the main factors in the wartime increase. Economic activity far surpasses that ever experienced hitherto and it is manifest that further expansion of the war effort will be possible only by directing resources from civilian to war activities.

INTER-BANK CLEARINGS - SYDNEY.

	<u>Amount.</u> (a)	<u>Index No.</u> (b)
	November.	Jan.-Nov.
	£m.	£m.
		Sept.-Nov.
		1926=100.
1937	81.3	853.4
1938	82.7	854.3
1939	86.1	839.6
1940	93.5	974.7
1941	96.5	1031.3

- (a) Excluding Treasury bill transactions. (b) Adjusted to eliminate effects of bank amalgamations and special governmental transactions but not for changes in price levels.

STOCK EXCHANGE. Reacting to the grave war news of last week the Sydney Stock Exchange suffered its most severe recession since the fall of France. Some selling pressure developed and substantially lower prices were needed to attract buyers. The Sydney Stock Exchange Research Bureau's index of prices of ordinary company shares on Thursday last was slightly below the previous low point of this year recorded during the campaign in Greece but was still about 14 p.c. higher than in June, 1940.

During November, following the course of the market in New York, prices in Sydney continued declining slowly as in the preceding month. Average share values showed losses of 1.9 p.c. and 3.7 p.c. in comparison with those ruling in September and October, 1941, respectively. Shares in manufacturing and in retail companies were 4.7 and 6.1 points and in pastoral and finance companies 2.4 points lower than in October. Other comparisons are given below:-

INDEX OF VALUE OF ORDINARY COMPANY SHARES - SYDNEY STOCK EXCHANGE.

Excluding Banks.

Par value = 100.

Average for month of -	Shares in Companies engaged in -					Total 75 Companies.	34 Active Shares.
	Manufacturing and Distributing.	Retail Trade	Public Utilities.	Pastoral and Finance.	Insurance.		
March, 1937 (a)	214	204	182	169	281	190	200
January, 1940 (b)	229	174	152	132	270	182	195
June, 1940 (c)	187	138	129	110	233	151	160
November, 1940	220	174	140	121	257	173	186
September, 1941	228	177	141	128	253	175	191
October "	221	173	142	126	251	172	186
November "	216	167	142	123	249	168	182

(a) Highest point.

(b) Highest and (c) lowest point of war period.

/REAL.....



## PART II (Continued)

REAL ESTATE. Sales of real estate registered in November, 1941 were greater in value than in November, 1939 or 1940 but seasonally below the level of recent months. Some sections of the real estate market are very active (e.g. houses, small flats, factories and sites for these) but there have been few large properties sold and this has affected the recorded totals. Control over mortgages in excess of £5,000 a year has hindered big dealings in real estate. Sales in the eleven months ended November were £30.27 m. in 1941 compared with £28.58 m. in 1940 and £34.62 m. in 1938.

The amount of mortgages registered was lowest in Nov., 1941 (£1.02 m.) of any month for several years. In the eleven months ended November mortgages amounted to £14.39 m. in 1941, £15.40 m. in 1940 and £24.64 m. in 1938, thus showing a decrease of 42 p.c. from the peak post-depression level.

## REAL ESTATE TRANSACTIONS - NEW SOUTH WALES.

	Month of November.		Eleven Months ended November.	
	Sales.	Mortgages (a)	Sales.	Mortgages. (a)
Av. 1925-29 (b)	£000 (4,619)	£000 (4,042)	£000 (50,809)	£000 (44,462)
1938	2,671	2,565	34,622	24,637
1939	2,381	1,702	30,090	21,088
1940	2,430	1,259	28,576	15,397
1941	2,548	1,022	30,267	14,388

(a) Includes normal renewal of mortgages in 1925-29; renewals were rendered unnecessary in many cases by the Moratorium Act, 1930.

(b) Monthly and eleven months averages.

INTEREST RATES - Mortgages. There has been only slight movements in mortgage rates of interest in recent months. Control over mortgage transactions under the National Security (Capital Issues) Regulations has cut off many large mortgage transactions associated with large business enterprises and investment. Knowledge that if necessary, the Treasurer is prepared to act is doubtless a factor in keeping interest rates low.

The weighted average rates of interest on private first mortgages registered in the three months ended November, 1941 - 5.5 p.c. on urban and 4.9 p.c. on rural mortgages - were 0.3 p.c. and 0.6 p.c. lower than at the end of 1939 and compare favourably with average rates ruling in any of the past four years:-

## AVERAGE RATES OF INTEREST ON PRIVATE FIRST MORTGAGES - N.S.W.

	Rural First Mortgages.					Urban First Mortgages.				
	1937.	1938.	1939.	1940.	1941.	1937.	1938.	1939.	1940.	1941.
	Weighted average rate of interest - per cent. per annum.									
Sept.-Nov. Calendar year.	5.0	5.1	5.4	5.1	4.9	5.3	5.4	5.7	5.5	5.5
	5.0	5.0	5.2	5.1	-	5.3	5.4	5.6	5.6	-

GOVERNMENT SECURITIES. In Sydney the bond market reacted little to the new war developments. In the last few days prices of shorter dated issues have tended a little lower but general movements in the weighted average rate of interest yielded at redemption have varied very little, and the volume of transactions has been normal.

By the end of November, 1941 bond prices had more than recovered the small losses recorded while the £100 million Loan was open. Experience of past months suggests that the market is recognising a return on Commonwealth loans of little more than 3 p.c. per annum as appropriate. It is perhaps of some significance that the Sydney Metropolitan Water S. & D. Board has had underwritten a loan of £900,000 for fourteen years at £3.11s.3d. per cent. at par which compares with £3.15s. offered for a similar amount and term in October, 1940.



PART II (Continued)

Net Redemption Yield on Australian Consolidated Loans.

	Nov., 1938.	Sept., 1939.	Nov., 1940.	Sept., 1941.	Oct., 1941.	Nov.12, 1941.	Nov.26, 1941.
Bonds maturing in -	Interest Yield (s.d. per £100) per annum. ★						
5-10 years							
Fully Taxed ø	-	-	63 7	63 10	63 8	64 0	63 6
Part Taxed x	76 5	79 7	60 5	59 0	61 3	59 4	58 11
Over 10 years							
Part Taxed x	76 7	80 10	62 2	63 1	63 8	62 9	62 7

- ★ Weighted average on last Wednesday in month (unless date shown) calculated on earliest date of maturity.
- ø Interest subject to full Commonwealth but to no State taxation.
- x Interest subject to Commonwealth taxation only and only at 1930 rates of taxation.

OVERSEA TRADE-AUSTRALIA. Particulars of the value of merchandise exports and imports of Australia are now withheld from publication.

With the complete agreement of the British Government, restrictions have been placed upon certain imports from sterling countries for the first time. The Minister for Customs has made it clear that the restrictions are not intended to afford protection to Australian enterprises but are designed to reduce the consumption of non-essential goods. Consequently this object must not be defeated by local production of goods in replacement of those cut off by the Order.

Importation from all sterling countries (except New Zealand and British and French Pacific Islands) is totally prohibited in the cases of 643 items, including beer, apparel, boots and shoes, hosiery, furs, handbags, perfumery, etc., fresh and tinned fish (except mainly, salmon and sardines) refrigerators, vacuum cleaners, paints, many motor accessories and replacement parts.

There can be no increase in value of twelve items (including floor and wall tiles, pens and pencils, and leather cloth) above the 1938-39 level; another five items (including lace and wall papers) are restricted to 75 p.c.; 38 items (including whisky and spirits, carpets, etc., non-commercial cameras, films, toys and smokers' requisites) to 50 p.c.; and one item (valves for wireless receivers) to 25 p.c. of the 1938-39 value.

Over another 145 items (principally machinery) administrative control has been taken and import licenses are now required for tobacco leaf and raw cotton imported from sterling as well as from non-sterling countries.



## PART III INDUSTRIES.

BUILDING INDUSTRY.BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

(Includes all private and most Government buildings).

Buildings commenced in Nov., 1941 were below the level of middle months of this year and in Nov. of other recent years, partly due to the stoppage in brickyards. There is a strong bias toward residential buildings, particularly houses. Building in the city is at a standstill and few commercial buildings other than factories are being erected.

In November, 1941 buildings of a value of £823,000 were commenced in the Metropolitan Water Board Area. This was the smallest Nov. total since 1936 and also was substantially below the average value in earlier months of this year. There was some increase compared with the preceding month (coincident with resumption of work in brick yards), but it seems improbable that the record level of building activity recorded in Sept. Qr., 1941 will be regained. In the city area building is almost at a standstill but it is only in the last month or two that any significant decrease in other parts of the Water Board Area has appeared. Particulars of value illustrating the course of building in recent years are given below. Building costs have risen and hence the volume of work represented per £1000 value of projects has been declining.

## VALUE OF BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

		Mar. Qr.	June Qr.	Sept. Qr.	Oct.	Nov.	January-November.		
							City.	Suburbs.	Total.
1937	£000	2091	2604	3351	936	1158	2542	7598	10,140
1938	£000	3061	3248	3615	846	989	1904	9850	11,754
1939	£000	3076	3269	3032	931	1044	1740	9612	11,352
1940	£000	3053	3413	3491	1101	1087	1494	10651	12,145
1941	£000	2971	2915	3846	735	823	668	10602	11,290

As in recent months houses and flats comprised the greater part of the value of buildings commenced in November, 1941, but the amounts for each were less than in any of the months June to Sept. of this year.

The features of building during 1941 revealed by comparative particulars of value for the eleven months ended November are:-

- the increase in expenditure on houses to a post-depression record level and
- the sharp decline in the value of business premises.

The latter reflects almost total cessation of erection of hotels, etc., and shops and offices, partly due to official control, and has occurred despite maintenance of a large volume of factory construction. Erection of theatres, churches, etc. has been discouraged and the relatively large amount for "Miscellaneous" buildings is due, in large measure, to the extensive Commonwealth building programme made necessary by the war.

/BUILDINGS.....



## PART III (Continued)

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.  
Including new buildings, additions, etc. and most Government buildings.

Type of Building.	November.			Eleven months ended November.				Movement
	1939.	1940.	1941.	1938.	1939.	1940.	1941.	
	Value in Thousands of Pounds							Per cent.
Dwelling Houses	507	517	547	5,565	5,626	5,787	6,247	+ 11.0
Flats	108	227	162	2,369	1,797	2,126	2,405	+ 33.8
Business Premises $\phi$	312	242	83	3,284	3,016	2,695	1,656	- 45.1
Miscellaneous.x	117	101	31	536	913	1,537	982	+ 7.6
Total	1,044	1,087	823	11,754	11,352	12,145	11,290	- 0.5

$\phi$  Shops, factories, offices, etc.      x Churches, theatres, schools, hospitals, etc.

In present circumstances the future trend of building activity is very uncertain. Apart from war reactions the high cost of building is a deterrent, and persons proposing to have buildings erected find finance more difficult to secure.

DWELLING HOUSES. In this Area there were 634 individual dwelling houses proposed in November, 1941 which exceeded the numbers in Nov., 1939 or 1940 but was 47 less than in Nov., 1938. The number is below the average in the middle five months of this year which may be due in part to the brick makers and carters stoppage. Numbers by months compare as follows:-

	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>June-Nov.</u>
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Individual Dwelling Houses Commenced - Water Bd. Area.

1938	657	700	777	643	637	681	4,095
1939	683	652	765	617	647	626	3,990
1940	568	743	629	664	696	571	3,871
1941	613	719	784	797	544	634	4,091

The foregoing figures reveal a numerical increase between 1939 and 1941 of 2.5 p.c. but in the same period there was an increase in the value of houses commenced of 14.7 p.c. The disparity arises from the higher cost of building and changes in the composition of the types of houses built; it is known that many very substantial dwellings have been undertaken recently, and that the number of wooden and fibro houses has decreased.

In the eleven months ended November there were 7,282 houses commenced this year compared with 7,153 last year and 7,486 in 1939. These figures cloak quite substantial variations in activity within the respective periods. They take no account of the large amount of housing becoming available in newly erected flats.

#### INDIVIDUAL DWELLING HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.

	November	March Qr.	June Qr.	Sept., Qr.	Dec. Qr.	Jan.-Nov.	Year ended Nov.
Number of Dwelling Houses (not flats) commenced.							
1936	438	1,273	1,251	1,668	1,195	5,074	5,369
1937	572	1,152	1,212	1,618	1,592	5,108	5,421
1938	681	1,267	1,857	2,120	1,853	6,922	7,388
1939	626	1,859	1,785	2,034	1,663	6,951	7,486
1940	571	1,740	1,720	2,036	1,665	6,763	7,153
1941	634	1,587	1,751	2,300	-	6,816	7,282

The Housing Commission (of five members) to be appointed under the recently enacted (N.S.W.) Housing Act has not yet been constituted. A Commonwealth loan of £1 million is being used to provide houses for munition workers in New South Wales.

/MOTOR.....



MOTOR VEHICLES. Sales of new motor vehicles remain very much below normal. The number of new cars in November, 1941 was only about one-twelfth the number in November, 1937 but new lorries and vans were about one-fifth those of the peak pre-depression year. Severe rationing of petrol is the principal cause of the drop in new motor sales:-

AVERAGE NUMBER (PER WEEK) OF NEW MOTOR VEHICLES REGISTERED - N.S.W.

	Cars, Cabs and Omnibuses.						Lorries and vans.					
	June	July	Aug.	Sept.	Oct.	Nov.	June	July	Aug.	Sept.	Oct.	Nov.
1937	497	451	414	415	421	483	218	202	210	200	221	246
1939	376	305	322	270	314	368	141	133	146	126	145	169
1940	115	63	88	118	128	173	70	60	53	63	64	77
1941	40	20	21	29	41	39	40	42	45	39	41	50

Ø Exclusive of trailers and of vehicles in Defence services.

War in the Pacific has made imperative the utmost economy in the use of liquid fuels and new regulations to make control more effective have been made. Petrol rations are to be reduced 20% for private and business cars and at least 10 p.c. for industrial vehicles in February-March allowances. The fitting of producer gas units to essential vehicles is being urged. Units are to be available only for vehicles used for non-pleasure purposes. At Nov. 30, 1941 there were 2259 registered vehicles with units attached, showing a gain of 476 in November compared with 305 in October. Almost one-half the number are used by lorries and vans.

There was a small increase in the number of motor vehicles on the register during November, due mainly to an increase of 328 in lorries and vans, the number of which was about the same as a year earlier, though 2,316 less than before the war. Cars now number 25,983 less than in Aug., 1939 including the decrease of 16,796 during the past twelve months.

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES. Ø

			1933.	1939		1940	1941		
			July	Aug.	Nov.	Nov.	Sept.	Oct.	Nov.
Cars	000		148.2	216.6	216.1	205.8	191.1	190.7	190.6
Lorries and Vans	000		42.2	77.6	77.6	75.4	74.9	75.0	75.3
All vehicles	000		216.5	329.2	328.2	314.1	297.7	297.4	297.7

Ø Exclusive of Defence Services vehicles and tractors used on farms only.

RAILWAYS. The coming of war to the Pacific places additional burdens on the railway system and action to restrict unnecessary movement of goods or persons over the lines has been taken. A special committee (with the N.S.W. Chief Railway Commissioner as Chairman) set up by the Commonwealth Government has taken over control of State Railways. Transport regulations are being relaxed to permit road vehicles running on producer gas to operate beyond the present 50 miles limit. In the four months ended October, 1941 there were increases in comparison with the corresponding months of 1939 of 18.1 p.c. in passengers carried and of 18.4 p.c. in goods ton mileage. Mainly due to this heavier traffic the surplus on working (ex interest, etc.) was 31.7 p.c. greater. Expansion of war industries and transport of military etc. supplies and personnel are major factors in these increases. Other comparisons are as follow:-

/Table.....



## PART III (Continued)

## NEW SOUTH WALES GOVERNMENT RAILWAYS.

	Month of October.			Four months ended October.		
	Passenger Journeys.	Goods Ton mileage.	Working Surplus.ϕ	Passenger Journeys.	Goods Ton mileage.	Working Surplus.ϕ
	Mill.	Mill.	£000	Mill.	Mill.	£000
1937	15.9	152	584	62.0	593	2,072
1938	17.1	114	303	64.0	566	1,451
1939	15.8	159	618	59.7	634	2,159
1940	16.2	204	791	62.6	880	3,192
1941	18.1	198	813	70.5	751	2,843

ϕ Excess of earnings over working expenses, exclusive of interest, etc., charges, amounting in 1940-41 to £6,618,000.

ROAD TRANSPORT SERVICES. The very considerable system of omnibus services developed in recent years is likely to prove of great value in the event of large-scale movement of troops etc. becoming necessary in defence of Australia. The Government has assumed full control over road transport and wherever possible omnibus services are likely to be curtailed and made to operate as feeders to rail and tram services in order to conserve liquid fuel for the fighting services. All special services to sport meetings, beaches etc. have ceased.

Reflecting the record levels of employment, industrial activity and spending capacity, and to some extent, the effects of petrol rationing, Government trams and omnibuses in Sydney and Newcastle are carrying more passengers and operating more profitably than ever before. In the four months ended October working expenses were £205,000 greater in 1941 than in 1940, but the increase in gross earnings (£258,000) was greater and the working surplus (£303,000) was 57 p.c. greater in 1941 than in 1939.

## GOVERNMENT TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	Month of October.				Four Months ended October.			
	Earnings.	Working Expenses.	Working Surplus.ϕ	Passengers.	Earnings.	Working Expenses.	Working Surplus.ϕ	Passengers.
	£000	£000	£000	Mill.	£000	£000	£000	Mill.
1937	348	297	51	30.2	1350	1131	219	117.3
1938	362	310	52	31.4	1387	1219	168	120.6
1939	368	310	58	31.2	1428	1235	193	121.7
1940	400	341	59	34.2	1504	1254	250	128.9
1941	468	380	88	41.6	1762	1459	303	156.4

ϕ Excess of earnings over working expenses, exclusive of interest, sinking fund, exchange and depreciation, totalling £662,000 in the year ended June 1941.



